

I and the coalition of citizens organizations identified in the attached letter are writing you in regard to what may result in excess consumer charges on pre-paid long distance calling cards.

Specifically, we write in regard to your present consideration of Connect America Fund (WC Docket No. 10-90), A National Broadband Plan for Our Future (GN Docket No. 09-51), Establishing Just and Reasonable Rates for Local Exchange Carriers (WC Docket No. 07-135), High-Cost Universal Service Support (WC Docket No. 05-337), Developing an Unified Intercarrier Compensation Regime (CC Docket No. 01-92), Federal-State Joint Board on Universal Service (CC Docket No. 96-45) and Lifeline and Link-Up (WC Docket No. 03-109)

Please consider our letter, and please keep in mind the interests of the citizens who use these calling cards as you deliberate on USF and Intercarrier Compensation.

Respectfully,

Dear Chairman Genachowski:

Prepaid calling cards are used every day by millions of people in America, particularly members of our immigrant communities, to call family and friends across the country and around the world.

We are writing to express our concern about an issue affecting prepaid calling card users and the prepaid calling card industry that has been languishing at the FCC for several years and which, if it remains unresolved by the Commission, may lead to prepaid calling card consumers spending millions of dollars annually.

The issue is whether access charges apply to prepaid calling card calls that are originated when a consumer calls a local access number. This issue has been since 2006, when the Commission issued its Prepaid Calling Card Order. (1) That Order concluded that access charges apply to prepaid calling card calls originated when a consumer calls a toll-free number, but was silent on the issue of calls originated when a consumer calls a local access number. Because the Commission has not addressed this issue, a major ILEC has begun to use the courts to achieve the resolution the Commission has yet to provide. We are encouraged, however, that the Commission acknowledged in its ongoing Intercarrier Compensation Reform proceeding that this is an outstanding issue. (2) We believe it is time for the Commission to settle this matter without further delay.

The reason this is so important to our organizations is that this isn't simply a dispute within the telecommunications industry: its outcome will have an immediate and significant impact on calling card consumers, many of whom are amongst our nation's most economically-challenged consumers. Prepaid calling card providers pass through to consumers the reduced cost of originating calls when a consumer calls a local access number. And while these savings - generally between one and two cents per minute - may not seem like a lot on its face, billions of minutes are at stake. Therefore, if prepaid calling card providers have to remit access charges for locally-dialed calling card calls, they will raise rates to recover their additional costs. This means that consumers will have to pay tens of millions of dollars more in additional costs.

In order to prevent this significant injury to our nation's most vulnerable consumers, we urge the Commission, as part of the Intercarrier Compensation Reform proceeding, to address the issue of whether access charges should apply to locally dialed calls and to conclude that these calls are not subject to access charges.

We greatly appreciate your prompt response to our concerns.

Sincerely,

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